

A bill for an act
relating to disaster relief; responding to flood and storms of March 2009;
providing money to match federal disaster assistance made available through
FEMA Public Assistance Program and Individual Assistance Program; providing
aid for costs that are not eligible for assistance through those programs or from
other federal government agencies or insurance; providing for flood disaster
enrollment impact aid to school districts; providing for temporary waivers of
certain program requirements; providing aid for Hugo tornado; authorizing
sale of state bonds; appropriating money; amending Minnesota Statutes 2008,
sections 12.221, subdivision 4; 12A.10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
MINNESOTA DISASTER RELIEF

Section 1. **DISASTER RELIEF APPROPRIATION SUMMARY.**
The amounts shown in this section summarize direct appropriations made in this
article.

| <u>SUMMARY</u> | | |
|--|-----------|--------------------------|
| <u>Public Safety</u> | \$ | <u>9,180,000</u> |
| <u>Board of Water and Soil Resources</u> | | <u>2,000,000</u> |
| <u>Education</u> | | <u>173,000</u> |
| <u>Employment and Economic Development</u> | | <u>200,000</u> |
| <u>Housing Finance</u> | | <u>2,700,000</u> |
| <u>Revenue</u> | | <u>250,000</u> |
| <u>Transportation</u> | | <u>2,900,000</u> |
| <u>Bond Sale Expenses</u> | | <u>7,000</u> |
| <u>TOTAL</u> | \$ | <u>17,410,000</u> |
| <u>General Fund</u> | | <u>10,303,000</u> |

| | | |
|-----|---|-----------|
| 2.1 | <u>Bond Proceeds Fund</u> | 4,404,000 |
| 2.2 | <u>Trunk Highway Fund Bond Proceeds Account</u> | 2,703,000 |

2.3 **Sec. 2. DISASTER RELIEF APPROPRIATIONS.**

2.4 Subdivision 1. **Appropriations** The sums shown in the column under
2.5 "Appropriations" are appropriated from the bond proceeds fund to be spent to acquire and
2.6 to better publicly owned land and buildings and other public improvements of a capital
2.7 nature and from other named funds, for relief as specified in this article from the flooding
2.8 and storms that occurred on or after March 16, 2009, in the areas in Minnesota designated
2.9 under presidential Declaration of an Emergency FEMA-3304-EM and Presidential
2.10 Declaration of a Major Disaster FEMA-1380-1830-DR, whether included in the original
2.11 declarations or added later by federal government action, referred to in this article as "the
2.12 area included in DR-1830." The appropriations included in this act are available through
2.13 June 30, 2011, except that appropriations of bond proceeds or for capital improvements
2.14 are available until the project is completed or abandoned, subject to Minnesota Statutes,
2.15 section 16A.642. The appropriations in this article are onetime.

2.16 Subd. 2. **Transfers.** If there is a shortage of money for a program funded in this
2.17 article, or in the money available for state and local match under Minnesota Statutes,
2.18 section 12.221, unused general fund money appropriated for any other program or project
2.19 in this article may be transferred for assistance in the disaster area, to another program or
2.20 project funded in this chapter. Appropriation transfers must be used to cover unmet needs
2.21 in a program or project under this chapter. The commissioner of finance must approve
2.22 all transfers under this section and must report each transfer to the chairs of the senate
2.23 Finance Committee and house of representatives Ways and Means Committee.

2.24 APPROPRIATIONS

2.25 **Sec. 3. PUBLIC SAFETY**

| | | | |
|------|--|----|------------------|
| 2.26 | Subdivision 1. Total Appropriations | \$ | 9,180,000 |
|------|--|----|------------------|

2.27 The amounts that may be spent for each
2.28 purpose are specified in the following
2.29 subdivisions.

| | | |
|------|---|--------|
| 2.30 | Subd. 2. State Match for Individual Assistance | 25,500 |
|------|---|--------|

2.31 For the state match for federal disaster
2.32 assistance to individuals under Minnesota

| | | |
|------|--|---------------------|
| 3.1 | <u>Statutes, section 12.221. This appropriation</u> | |
| 3.2 | <u>is from the general fund.</u> | |
| 3.3 | <u>Subd. 3. State and Local Match</u> | <u>9,154,500</u> |
| 3.4 | <u>Appropriations by Fund</u> | |
| 3.5 | <u>General</u> | <u>5,254,000</u> |
| 3.6 | <u>Bond Proceeds</u> | <u>3,900,000</u> |
| 3.7 | <u>For the state and local match for federal</u> | |
| 3.8 | <u>disaster assistance to state agencies and other</u> | |
| 3.9 | <u>eligible applicants under Minnesota Statutes,</u> | |
| 3.10 | <u>section 12.221.</u> | |
| 3.11 | <u>The appropriation from the bond proceeds</u> | |
| 3.12 | <u>fund is available to fund 100 percent of the</u> | |
| 3.13 | <u>state and local match obligations for publicly</u> | |
| 3.14 | <u>owned capital improvement projects incurred</u> | |
| 3.15 | <u>through the receipt of federal disaster</u> | |
| 3.16 | <u>assistance.</u> | |
| 3.17 | <u>Subd. 4. Waiver of Contract Approval</u> | |
| 3.18 | <u>Procedures</u> | |
| 3.19 | <u>State and federal disaster assistance</u> | |
| 3.20 | <u>distributed by the commissioner of public</u> | |
| 3.21 | <u>safety is not subject to the contract approval</u> | |
| 3.22 | <u>procedures of Minnesota Statutes, chapter</u> | |
| 3.23 | <u>16A, 16B, or 16C. The commissioner of</u> | |
| 3.24 | <u>public safety may adopt internal procedures</u> | |
| 3.25 | <u>for administration and monitoring of aids</u> | |
| 3.26 | <u>and grants.</u> | |
| 3.27 | <u>Sec. 4. BOARD OF WATER AND SOIL</u> | |
| 3.28 | <u>RESOURCES</u> | |
| 3.29 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 2,000,000</u> |
| 3.30 | <u>The amounts that may be spent for each</u> | |
| 3.31 | <u>purpose are specified in the following</u> | |
| 3.32 | <u>subdivisions. The board may shift funds</u> | |
| 3.33 | <u>within this section and may adjust the</u> | |
| 3.34 | <u>technical and administrative assistance</u> | |

| | | |
|------|---|------------------|
| 4.1 | <u>portion of the funds to leverage federal</u> | |
| 4.2 | <u>or other nonstate funds or to address high</u> | |
| 4.3 | <u>priority needs identified in local water</u> | |
| 4.4 | <u>management, emergency preparedness, or</u> | |
| 4.5 | <u>hazard mitigation plans. The appropriations</u> | |
| 4.6 | <u>in this section are available until expended.</u> | |
| 4.7 | <u>Subd. 2. Reinvest in Minnesota (RIM)</u> | |
| 4.8 | <u>Conservation Easements</u> | <u>500,000</u> |
| 4.9 | <u>The board may use this appropriation</u> | |
| 4.10 | <u>from the bond proceeds fund to acquire</u> | |
| 4.11 | <u>conservation easements from landowners on</u> | |
| 4.12 | <u>marginal lands in the disaster area to restore</u> | |
| 4.13 | <u>and protect soil and water quality and to</u> | |
| 4.14 | <u>support fish and wildlife habitat as provided</u> | |
| 4.15 | <u>in Minnesota Statutes, section 103F.515.</u> | |
| 4.16 | <u>Subd. 3. Erosion, Sediment, and Water Quality</u> | |
| 4.17 | <u>Control Cost-Share Program</u> | <u>1,000,000</u> |
| 4.18 | <u>The board may use this appropriation to</u> | |
| 4.19 | <u>install, repair, or rehabilitate erosion and</u> | |
| 4.20 | <u>sediment control projects in the disaster area</u> | |
| 4.21 | <u>to restore and protect soil and water quality</u> | |
| 4.22 | <u>and to support fish and wildlife habitat.</u> | |
| 4.23 | <u>Subd. 4. Red River Basin Commission Grant</u> | <u>500,000</u> |
| 4.24 | <u>The board shall disburse this appropriation as</u> | |
| 4.25 | <u>a grant to the Red River Basin Commission</u> | |
| 4.26 | <u>to develop a comprehensive plan of action</u> | |
| 4.27 | <u>to address flooding and related water quality</u> | |
| 4.28 | <u>and land conservation issues in the Red River</u> | |
| 4.29 | <u>watershed. The plan must take into account</u> | |
| 4.30 | <u>previous federal, state, provincial, regional,</u> | |
| 4.31 | <u>and local assessments and make specific</u> | |
| 4.32 | <u>recommendations for floodplain management</u> | |
| 4.33 | <u>goals and outcomes for the Red River</u> | |
| 4.34 | <u>Basin including structural and nonstructural</u> | |
| 4.35 | <u>measures, water storage allocations by</u> | |

5.1 major watershed, and delineation of roles
5.2 and responsibilities and time frames for
5.3 implementation. The commission shall
5.4 report progress to the legislature by January
5.5 15, 2010, and each year thereafter.

5.6 Subd. 5. **Waivers Authorized**

5.7 (a) The board may waive the provisions
5.8 of Minnesota Statutes, section 103C.501,
5.9 and Minnesota Rules, chapter 8400, in the
5.10 disaster area on land damaged by the disaster.
5.11 The waiver applies to all existing and future
5.12 contracts to address critical conservation
5.13 problems resulting from the disaster that are
5.14 funded in whole or in part with state money,
5.15 to the extent that combined federal and state
5.16 funding does not exceed 100 percent. All
5.17 existing state cost-share grant agreements in
5.18 the disaster area are extended, as provided
5.19 in law.

5.20 (b) The payment maximums for
5.21 improvements to the land under Minnesota
5.22 Statutes, section 103F.515, subdivision 6,
5.23 paragraph (a), clause (1), are waived for
5.24 easements acquired in the disaster area on
5.25 land damaged by the disaster.

5.26 Sec. 5. **EDUCATION**

5.27 Subdivision 1. **Total Appropriation** \$ **173,000**

5.28 The appropriations in this section are from
5.29 the general fund for additional costs and loss
5.30 of pupil units relating to the floods of March
5.31 2009. The amounts that may be spent for
5.32 each purpose are specified in the following
5.33 subdivisions.

5.34 Subd. 2. **Disaster Enrollment Impact Aid** **127,000**

| | | | |
|------|--|-----------|----------------|
| 6.1 | <u>For disaster enrollment impact aid under</u> | | |
| 6.2 | <u>Minnesota Statutes, section 12A.06,</u> | | |
| 6.3 | <u>subdivision 1, calculated at a rate of \$5,946</u> | | |
| 6.4 | <u>per pupil in average daily membership lost</u> | | |
| 6.5 | <u>during fiscal year 2009.</u> | | |
| 6.6 | <u>Subd. 3. Disaster Relief Facilities Grants</u> | | <u>15,000</u> |
| 6.7 | <u>For disaster relief facilities grants under</u> | | |
| 6.8 | <u>Minnesota Statutes, section 12A.06,</u> | | |
| 6.9 | <u>subdivision 2.</u> | | |
| 6.10 | <u>Subd. 4. Disaster Relief Operating Grants</u> | | <u>13,000</u> |
| 6.11 | <u>For disaster relief operating grants under</u> | | |
| 6.12 | <u>Minnesota Statutes, section 12A.06,</u> | | |
| 6.13 | <u>subdivision 3.</u> | | |
| 6.14 | <u>Subd. 5. Pupil Transportation Grants</u> | | <u>18,000</u> |
| 6.15 | <u>For pupil transportation grants under</u> | | |
| 6.16 | <u>Minnesota Statutes, section 12A.06,</u> | | |
| 6.17 | <u>subdivision 4.</u> | | |
| 6.18 | <u>Sec. 6. EMPLOYMENT AND ECONOMIC</u> | | |
| 6.19 | <u>DEVELOPMENT</u> | <u>\$</u> | <u>200,000</u> |
| 6.20 | <u>For transfer to the Minnesota investment</u> | | |
| 6.21 | <u>fund for grants to local units of government</u> | | |
| 6.22 | <u>for locally administered grant or loan</u> | | |
| 6.23 | <u>programs for businesses and nonprofit</u> | | |
| 6.24 | <u>organizations directly and adversely affected</u> | | |
| 6.25 | <u>by the flood, including those that provide</u> | | |
| 6.26 | <u>residential, health care, child care, social, or</u> | | |
| 6.27 | <u>other services on behalf of the Department</u> | | |
| 6.28 | <u>of Human Services to residents of the area</u> | | |
| 6.29 | <u>included in DR-1830. Assistance under</u> | | |
| 6.30 | <u>this section is not limited to businesses.</u> | | |
| 6.31 | <u>Payments may be made for property damage</u> | | |
| 6.32 | <u>and cleanup, and to reimburse parties under</u> | | |
| 6.33 | <u>contract, provider agreement, or other</u> | | |
| 6.34 | <u>arrangement with the commissioner of</u> | | |

7.1 human services as of March 16, 2009, for
7.2 residential, health care, child care, social,
7.3 or other services provided on behalf of
7.4 the Department of Human Services to a
7.5 resident of the area included in DR-1830,
7.6 notwithstanding that:
7.7 (1) the resident has been compelled by the
7.8 floods of March 2009 to relocate outside the
7.9 party's service area; or
7.10 (2) the party is unable to provide services
7.11 to the resident due to flood damage to the
7.12 party's place of business.
7.13 Criteria and requirements must be locally
7.14 established with the approval of the
7.15 commissioner. For the purposes of this
7.16 appropriation, Minnesota Statutes, sections
7.17 116J.8731, subdivisions 3, 4, 5, and 7;
7.18 116J.993; 116J.994; and 116J.995, are
7.19 waived. Businesses that receive grants or
7.20 loans from this appropriation must set goals
7.21 for jobs retained and wages paid within the
7.22 area included in DR-1830.
7.23 Before any grants under this section are
7.24 awarded to a local unit of government, the
7.25 commissioner of employment and economic
7.26 development shall report to the chairs of
7.27 the senate Finance Committee and house of
7.28 representatives Ways and Means Committee
7.29 the criteria and requirements to be used by
7.30 local units of government in the grant or
7.31 loan programs they will administer. This
7.32 appropriation is from the general fund.

7.33 Sec. 7. HOUSING FINANCE \$ 2,700,000

The appropriations in this section are from the general fund to the Housing Finance Agency for transfer to the housing development fund for the economic development and housing challenge program under Minnesota Statutes, section 462A.33, for assistance in the area included in DR-1830, Individual Assistance Declaration. The maximum loan amount per housing structure is \$30,000. Within the limits of available appropriations, the agency may increase the maximum amount if the cost of repair or replacement of the residential property exceeds the total of the maximum loan amount and any assistance available from FEMA, other federal government agencies including the Small Business Administration, and private insurance and flood insurance benefits. For assistance under this section, the requirements of Minnesota Statutes, section 462A.33, subdivisions 3 and 5, and Minnesota Rules, part 4900.3632, are waived.

| | | | |
|------|-------------------------------|-----------|----------------|
| 8.24 | Sec. 8. <u>REVENUE</u> | \$ | 250,000 |
|------|-------------------------------|-----------|----------------|

8.25 To reimburse counties for property tax
8.26 abatements on damaged property under
8.27 section 13.

8.28 **Sec. 9. TRANSPORTATION**

| | | | |
|------|---|----|------------------|
| 8.29 | Subdivision 1. Total Appropriation | \$ | 2,900,000 |
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8.30 The amounts that may be spent for each
8.31 purpose are specified in the following
8.32 subdivisions.

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| 8.33 | <u>Subd. 2. Infrastructure Operation and</u> | |
| 8.34 | <u>Maintenance</u> | 200.000 |

| | | |
|------|--|------------------|
| 9.1 | <u>From the trunk highway fund.</u> | |
| 9.2 | <u>Subd. 3. State Trunk Highways and Bridges</u> | <u>2,700,000</u> |
| 9.3 | <u>From the bond proceeds account in the trunk</u> | |
| 9.4 | <u>highway fund for the reconstruction and</u> | |
| 9.5 | <u>repair of trunk highways and trunk highway</u> | |
| 9.6 | <u>bridges that are located in the area included</u> | |
| 9.7 | <u>in DR-1830 and that suffered flood-related</u> | |
| 9.8 | <u>damage in 2009.</u> | |
| 9.9 | <u>Sec. 10. BOND SALE EXPENSES</u> | <u>\$ 7,000</u> |
| 9.10 | <u>To the commissioner of finance for bond sale</u> | |
| 9.11 | <u>expenses under Minnesota Statutes, section</u> | |
| 9.12 | <u>16A.641, subdivision 8.</u> | |
| 9.13 | <u>Appropriations by Fund</u> | |
| 9.14 | <u>Bond proceeds</u> | <u>4,000</u> |
| 9.15 | <u>Trunk highway</u> | <u>3,000</u> |

9.16 Sec. 11. Minnesota Statutes 2008, section 12.221, subdivision 4, is amended to read:

9.17 Subd. 4. **Subgrant agreements.** (a) The state director, serving as the governor's

9.18 authorized representative, may enter into subgrant agreements with eligible applicants

9.19 to provide federal and state financial assistance made available as a result of a disaster

9.20 declaration.

9.21 (b) Neither this subdivision nor any other state law applies to the disbursement of FEMA

9.22 disaster assistance funds and state matching funds pursuant to sections 12A.01, 12A.02,

9.23 12A.03, and 12A.15.

9.24 Sec. 12. Minnesota Statutes 2008, section 12A.10, is amended to read:

9.25 **12A.10 HUMAN SERVICES.**

9.26 Subdivision 1. Costs eligible for payment. Notwithstanding the limitations of

9.27 sections 12A.01 and 12A.03, the commissioner may pay parties under contract, provider

9.28 agreement, or other arrangement with the commissioner as of the date of the a natural

9.29 disaster, or the date when action was taken in anticipation of a possible natural disaster

9.30 or other event that threatens the health and safety of individuals served by a program that

9.31 receives funding from medical assistance for the costs of evacuation, transportation, or

9.32 medical or, remedial, or personal care services provided to vulnerable residents. Costs

eligible for payment under this section are those necessary to ensure the health and safety of medical assistance recipients during and up to 60 days following the disaster. Only costs that are not already paid for by another source are eligible. The commissioner may make payments for documented incremental costs incurred by a party, may determine an estimate of such costs at the sole discretion of the commissioner, or may use a combination of these two methods. If after receiving payment from the commissioner for a documented cost, the provider is able to acquire payment from another source for that cost, the provider shall reimburse the commissioner in the amount paid. To the extent allowed under the state's Medicaid state plan, the commissioner shall pay these costs from the using medical assistance account funding.

Subd. 2. Payment in residential program. In a residential program, payment under this section must be based on an allocation of costs between medical assistance recipients and all other residents. This allocation must not be done in nursing facilities and must not be done in other residential facilities in which at least 25 percent of residents are medical assistance recipients.

Sec. 13. 2009 FLOOD LOSS; CITY REPLACEMENT AID.

Subdivision 1. Flood net tax capacity loss. The county assessor of each qualified county shall compute a hypothetical city taxable net tax capacity for each city in the county based upon market values for assessment year 2010 and the class rates that were in effect for assessment year 2009. The amount, if any, by which the assessment year 2009 total taxable net tax capacity of the city exceeds the hypothetical taxable net tax capacity of the city is the city's "flood net tax capacity loss." A county assessor of a qualified county that contains a city that has a flood net tax capacity loss that exceeds five percent of its assessment year 2009 total taxable net tax capacity shall certify the city's flood net tax capacity loss to the commissioner of revenue by August 1, 2009.

As used in this section, a "qualified county" is a county located within the area included in DR-1830.

Subd. 2. Flood loss aid. In 2010, each city with a flood net tax capacity loss equal to or greater than five percent of its assessment year 2009 total taxable net tax capacity is entitled to flood loss aid equal to the flood net tax capacity loss times the city's average local tax rate for taxes payable in 2009.

Subd. 3. Duties of commissioner. The commissioner of revenue shall determine each city's aid amount under this section. The commissioner shall notify each eligible city of its flood loss aid amount by August 15, 2009. The commissioner shall make payments to each city after July 1, and before July 20, 2010.

Subd. 4. **Optional city expenditure.** A city that receives aid under this section may choose to expend a portion of the aid received for repair of county roads located within the city.

Subd. 5. **Appropriation.** The amount necessary to pay the aid amounts under this section in fiscal year 2011, for calendar year 2010, is appropriated to the commissioner of revenue from the general fund.

Sec. 14. **BOND SALE AUTHORIZATIONS.**

(a) To provide the money appropriated in section 3, subdivision 3, from the bond proceeds fund, the commissioner of finance, at the request of the commissioner of public safety, shall sell and issue bonds of the state in an amount up to \$3,904,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

(b) To provide the money appropriated in section 4, subdivision 2, from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

(c) To provide the money appropriated in section 9 from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$2,703,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amount requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the trunk highway fund.

Sec. 15. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2

HUGO TORNADO RELIEF

Section 1. **GRANT.**

The sum of \$350,000 is appropriated from the general fund to the Department of Employment and Economic Development for a grant to the city of Hugo for the cost of

S.F. No. 2113, as introduced - 86th Legislative Session (2009-2010) [09-3739]

- 12.1 debris clearance and other disaster costs resulting from damage caused by the May 25,
- 12.2 2008, tornado. This is a onetime appropriation and is available until expended.
- 12.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX
Article locations in 09-3739

ARTICLE 1 MINNESOTA DISASTER RELIEF Page.Ln 1.12

ARTICLE 2 HUGO TORNADO RELIEF Page.Ln 11.28